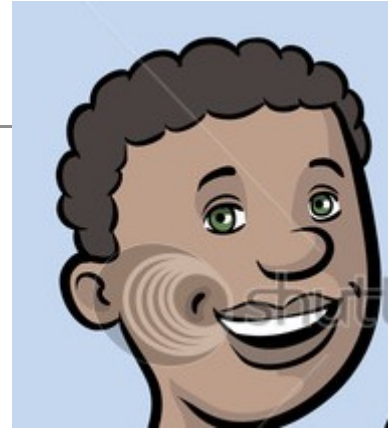


THE ADVENTURES OF LEROY COOL, 7: Leroy Interrogates Benjamin Bernanke

 infotextmanuscripts.org/leroy_cool_7.html

Excuse me, aren't you Benjamin Bernanke, the Chairman of the Federal Reserve Board?

Yes sonny, that's right.

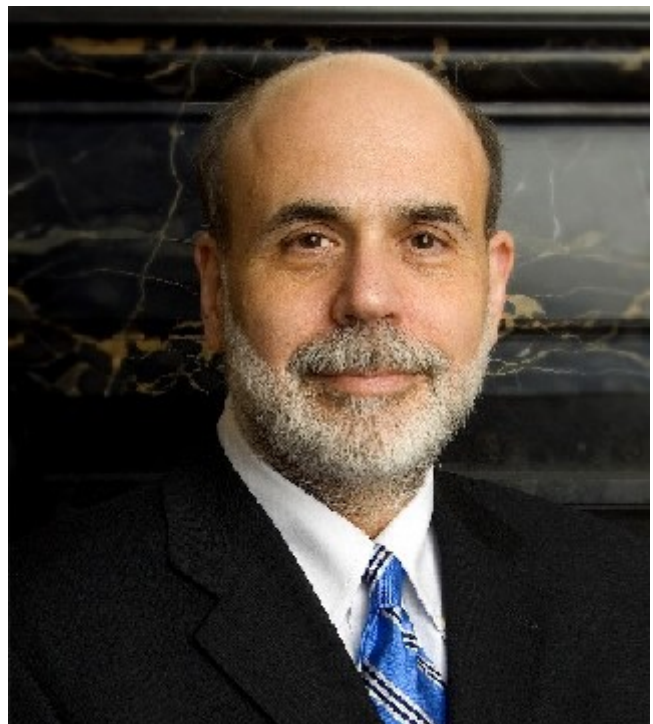


I wonder if you could answer a few questions for someone who's a bit confused by economics.

Of course sonny, I'd be happy to. It's half an hour till my flight.

America is suffering from a recession at the moment, right?

That's right.



Because there's a shortage of credit.

Yes.

What is credit made of?

I beg your pardon?

What is it made of, what substance?

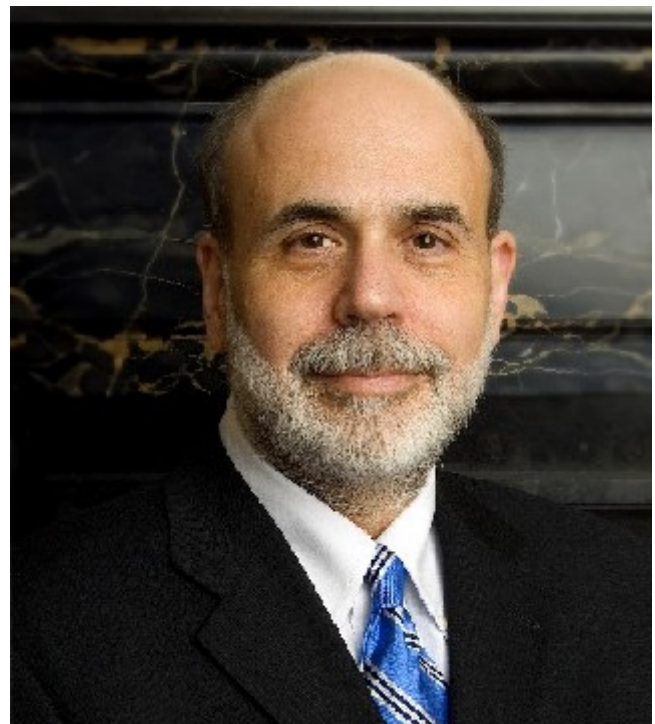


Substance?

Yes, what metal?

Why, sonny, you're confusing credit with coins. Credit isn't made of anything.

It isn't?



No, it's just figures in a book.

Figures in a book?

Or blips in cyber-space.



Right. So how come there's a shortage of it?

I beg your pardon?

What I mean is, if the government can make credit by writing figures in a book, why doesn't it?

Well, sonny, the American Government or the Federal Reserve can't just create credit by writing figures in a book?

Why not, if there's a shortage of it?

Because that would cause inflation?

Why?

Because if we create credit just like that, it will cause inflation.

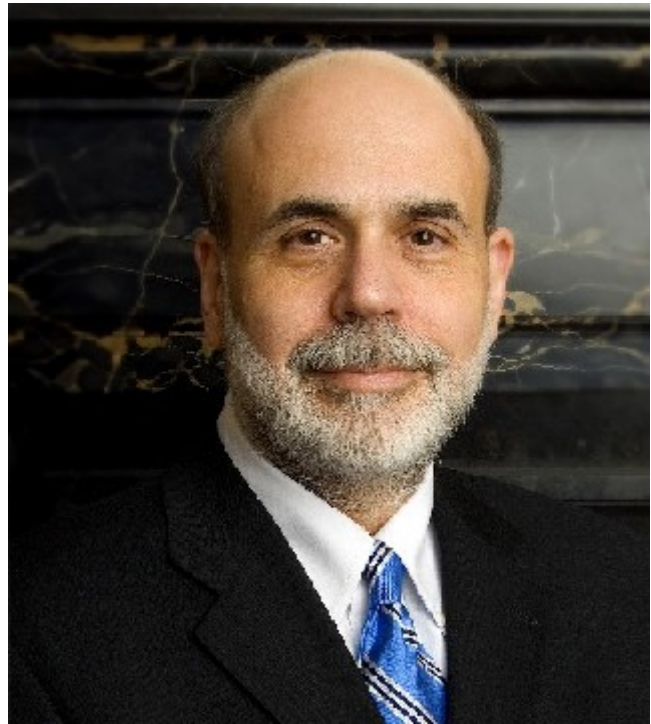
But why?

Because creating too much credit causes inflation.

But you said there wasn't enough credit in the economy.

I did?

Yes, you said there was a shortage of credit.



Ah, what I said was that there was a shortage of credit; I didn't say there wasn't enough.

???

Good grief, there's my flight. Have to run now. Bye.

